

Now, it is not that another example should be necessary. Herbert Hoover's response to the recession of 1929 was to increase the marginal tax rate from 25 percent to 65 percent and to burden international trade with steep tariffs.

The Obama taxes have yet to be enacted, and if passed this year they won't take effect until 2010. By then, California will have become a poster child for "governments gone wild," a vivid warning of life on the downside of the Laffer Curve, and a lesson that the rest of the Nation should pay rapt attention to as we consider the impact of the administration's proposal for higher taxes nationally.

LOOKING FOR SOLUTIONS TO THE ECONOMIC PROBLEMS FACING AMERICA TODAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE of Georgia. Madam Speaker, we have talked a lot these past few weeks about the state of the economy and the challenges that Americans are facing. Certainly they are remarkable challenges that we face all across this Nation. The stock market was again down today.

So we look for solutions. The American people are demanding solutions on behalf of those folks that they sent to Washington, and rightly so. The "solution" I guess one could call it of the Obama administration is the budget that he proposed last week, and I would like to point out a few items on that budget.

The deficits from that budget will be \$1.75 trillion in this year, 12.3 percent of our gross domestic product, more than triple the previous year. A solution? I don't think so.

How about national debt. This budget that the President proposed doubles the national debt in just 8 years. Do the American people think that is a solution? I don't think so.

Interest. Beginning in 2012, the interest that we pay on the debt will be \$1 billion a day, Madam Speaker. \$1 billion a day. That is not a solution.

Taxes. You have heard my colleagues discuss, Madam Speaker, that this budget raises taxes by \$1.4 trillion, and it is on everybody, not just those that the President says can easily afford it.

And how about spending? Well, \$3.9 trillion in 2009, 27 percent of our gross domestic product, a record level, the highest level since World War II. Solutions? I don't think so.

But, Madam Speaker, the good news is that there are solutions out there. They are wonderful solutions. Those of us who are members of the Republican Study Committee put on the table H.R. 476, the Economic Recovery Act, something that we believe would be a powerful solution that would allow Americans to keep more of their hard-earned money, decrease some of the incredible roadblocks in the face of businesses so

that they can create jobs, and finally begin to decrease the amount of spending at the Federal level.

Other big thinkers across this Nation are providing solutions as well. One of them is the group American Solutions headed by former Speaker of this House, Newt Gingrich.

They recently came out with a proposal "12 American Solutions for Jobs and Prosperity," talking about the Washington solutions currently being produced by this administration being more money for more government, more power for more politicians, more debt and more bureaucrats. That is not what will lead to real job growth and prosperity. Instead, there are 12 specific solutions that I would like to share with the House of Representatives.

First, payroll tax stimulus. A new tax credit to offset 50 percent of the payroll tax would immediately inject money into small businesses and allow for job creation.

Second, real middle income tax relief, proposing to decrease the marginal rate of 25 percent to 15 percent so that 9 out of 10 American workers have a flat tax of 15 percent. Real money in the pockets of real Americans. Real solutions.

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Third, reduce the business tax rate.

Did you know, Madam Speaker, that Mexico and Sweden and Poland and Ireland and Hungary all have lower business taxes than the United States? If you're a business trying to decide where to put your company, you'd go somewhere else other than the United States if you were taking into account business tax rates.

The proposal is to decrease our business tax rate to 12.5 percent; equal Ireland's, instead of the current 35 percent that we have.

Fourth, homeowners assistance. Provide tax credit incentives for responsible home buyers so they can stay in their homes.

Fifth, control spending so we can move to a balanced budget.

Madam Speaker, did you know that the budget that the President put on the table last week never gets to a balanced budget? Never, never. Red numbers as far as the eye can see. We must have a balanced budget.

Sixth, no State aid without protection from fraud; making certain that the State governments ensure that there's no fraud and no theft of the hard-earned taxpayer money that they receive from the Federal Government.

Seventh, more American energy now. We absolutely must utilize American resources while we're conserving and while we're finding that new technology that will carry us through this century.

Eighth, abolish taxes on capital gain. We ought to match China and Singapore, yes, Madam Speaker, China and Singapore and lower the taxes, abolish the taxes on capital gains. You talk

about a job creation. My goodness gracious.

Ninth, protect our right to vote in the workplace. This majority is going to steal that right away with the secret ballot destruction act that they are proposing to put on the floor. We believe that it's imperative that workers have the right to a secret ballot when talking about forming a union.

Tenth, replace Sarbanes-Oxley.

Eleventh, abolish the death tax once and for all.

And, twelfth, invest in energy and transportation infrastructure. Real solutions for the American people.

I urge my colleagues to take a look at those kinds of solutions that will actually get the economy rolling and create jobs.

12 AMERICAN SOLUTIONS FOR JOBS & PROSPERITY

Washington solutions of more money for more government, more power for politicians, more debt, and more bureaucrats will not lead to real growth in jobs and prosperity. We need a clear and decisive alternative that creates jobs and rewards work, saving, and investment.

1. Payroll Tax Stimulus. With a temporary new tax credit to offset 50% of the payroll tax, every small business would have more money, and all Americans would take home more of what they earn.

2. Real Middle-Income Tax Relief. Reduce the marginal tax rate of 25% down to 15%, in effect establishing a flat-rate tax of 15% for close to 9 out of 10 American workers.

3. Reduce the Business Tax Rate. Match Ireland's rate of 12.5% to keep more jobs in America.

4. Homeowner's Assistance. Provide tax credit incentives to responsible home buyers so they can keep their homes.

5. Control Spending So We Can Move to a Balanced Budget. This begins with eliminating Congressional earmarks and wasteful pork-barrel spending.

6. No State Aid Without Protection From Fraud. Require state governments to adopt anti-fraud and anti-theft policies before giving them more money.

7. More American Energy Now. Explore for more American oil and gas and invest in affordable energy for the future, including clean coal, ethanol, nuclear power and renewable fuels.

8. Abolish Taxes on Capital Gains. Match China, Singapore and many other competitors. More investment in America means more jobs in America.

9. Protect Our Right to Vote in the Workplace. We must protect a worker's right to decide by secret ballot whether to join a union. Forced unionism will kill jobs at a time when we can't afford to lose them.

10. Replace Sarbanes-Oxley. This failed law is crippling entrepreneurial startups. Replace it with affordable rules that help create jobs, not destroy them.

11. Abolish the Death Tax. Americans should work for their families, not for Washington.

12. Invest in Energy and Transportation Infrastructure. This includes a new, expanded electric power grid and a 21st century air traffic control system that will reduce delays in air travel and save passengers, employees and airlines billions of dollars per year.

HONORING BRENT WHITLEY FOR HIS INSPIRING EXAMPLE OF SERVICE

The SPEAKER pro tempore (Mrs. DAHLKEMPER). Under a previous order